MILWAUKEE COUNTY

Employees' Retirement System
of Milwaukee County
Monthly Update
May 31, 2011

Market Values

May 31, 2011

Asset Class	Investment Manager	Market Values	Allocation	Target
Core Fixed Income	J.P. Morgan	$307,009,698	16.3%	16.0%
Core Fixed Income	Mellon Capital - Non Lending	$255,932,271	13.6%	16.0%
Total Fixed Income		**$562,941,969**	**29.9%**	**32.0%**
Large-Cap Core Equity	Mellon Capital - Non Lending	$112,635,276	6.0%	6.0%
Large-Cap Value Equity	Boston Partners	$134,521,061	7.1%	7.0%
Mid-Cap Growth Equity	Artisan Partners	$48,175,721	2.6%	2.5%
Mid-Cap Growth Equity	Reinhart Partners	$42,943,814	2.3%	2.5%
Small-Cap Value Equity	AQR	$44,806,344	2.4%	2.5%
Small-Cap Value Equity	Fiduciary Management	$51,505,308	2.7%	2.5%
Cash Securitization	Cash Equity Overlay	$5,418,647	0.3%	---
Total U.S. Equity		**$440,006,171**	**23.4%**	**23.0%**
International Core	Barings	$123,838,886	6.6%	6.0%
International Value	GMO Large Cap Value	$106,489,471	5.7%	6.0%
International Small Core	GMO Intl Small Companies	$76,337,223	4.1%	3.0%
Emerging Markets	Barings	$66,176,286	3.5%	3.0%
Total International Equity		**$372,841,866**	**19.8%**	**18.0%**
Hedged Equity	ABS	$100,050,973	5.3%	5.0%
Hedged Equity	K2	$95,346,159	5.1%	5.0%
Total Hedged Equity		**$195,397,132**	**10.4%**	**10.0%**
Real Estate REIT	ING Clarion	$19,443,500	1.0%	0.0%
Real Estate Core	Morgan Stanley	$80,053,858	4.3%	---
Real Estate Core	American Realty	$13,241,266	0.7%	---
Real Estate - Core	UBS	$0	0.0%	---
Total Real Estate		**$112,738,624**	**6.0%**	**7.0%**
Infrastructure	IFM	$74,005,784	3.9%	3.5%
Infrastructure	JP Morgan	$61,573,830	3.3%	3.5%
Total Infrastructure		**$135,579,614**	**7.2%**	**7.0%**
Private Equity FoFs Diversified	Progress	$268,820	0.0%	---
Private Equity FoFs Diversified	Adams Street 2005	$7,012,000	0.4%	---
Private Equity FoFs Diversified	Adams Street 2009	$5,569,502	0.3%	---
Private Equity FoFs Diversified	Brinson 1998	$357,482	0.0%	---
Private Equity FoFs Diversified	Brinson 1999	$516,231	0.0%	---
Private Equity FoFs Diversified	Brinson 2000	$1,756,704	0.1%	---
Private Equity FoFs Diversified	Brinson 2001	$3,204,922	0.2%	---
Private Equity FoFs Diversified	Brinson 2002	$2,009,156	0.1%	---
Private Equity FoFs Diversified	Brinson 2003	$1,751,467	0.1%	---
Private Equity FoFs Diversified	Brinson 2004	$2,182,720	0.1%	---
Private Equity - Direct	Separate Account - New	$18,689	0.0%	---
Total Private Equity		**$24,647,693**	**1.3%**	**3.0%**
Total Cash Equivalents		**$38,793,826**	**2.1%**	**0.0%**
TOTAL PORTFOLIO		**$1,882,946,895**	**100.0%**	**100.0%**

Annalized Total Fund Performance (Gross of Fees)

May 31, 2011

	Mth.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Total Fund Composite	**-0.6%**	**5.1%**	**18.0%**	**16.6%**	**3.2%**	**2.0%**	**5.0%**	**7.0%**	**6.7%**
Benchmark									
Policy Benchmark[1]	-0.4%	5.4%	18.6%	15.7%	2.5%	1.7%	4.7%	6.3%	5.8%
Actuarial Rate of Return	---	---	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Total Fixed Income Composite	**1.2%**	**3.0%**	**5.9%**	**10.1%**	**7.4%**	**6.9%**	**7.2%**	**6.7%**	**7.2%**
Benchmark									
BarCap Aggregate	1.3%	3.0%	5.8%	7.1%	6.5%	6.6%	6.6%	5.6%	5.8%
Total Domestic Equity Composite	**-1.6%**	**8.2%**	**27.6%**	**26.7%**	**3.7%**	**1.1%**	**5.0%**	**6.9%**	**5.0%**
Benchmark									
Wilshire 5000	-1.2%	8.0%	26.9%	24.9%	1.7%	-0.4%	3.8%	5.6%	3.7%
Total International Equity Composite	**-2.5%**	**6.0%**	**32.1%**	**18.2%**	**-3.6%**	**-3.7%**	**0.2%**	**3.5%**	**4.2%**
Benchmark									
MSCI ACWI ex US	-2.8%	5.6%	30.5%	20.4%	-2.2%	-1.0%	4.4%	9.7%	7.7%
Total Hedged Equity Composite	**-0.3%**	**2.7%**	**10.4%**	**---**	**---**	**---**	**---**	**---**	**---**
Benchmark									
HFRX Hedged Equity	-2.6%	-6.1%	4.4%	3.9%	-4.8%	-4.6%	-1.2%	0.3%	2.2%
MSCI ACWI	-2.1%	6.6%	28.8%	21.8%	-0.9%	-0.9%	4.0%	7.4%	5.1%
Total Real Estate Composite	**0.1%**	**5.0%**	**26.4%**	**26.2%**	**-1.1%**	**-4.3%**	**1.7%**	**8.4%**	**10.7%**
Benchmark									
Custom Benchmark[2]	0.0%	3.8%	23.5%	31.8%	-2.8%	-6.6%	1.0%	7.2%	10.6%
NFI ODCE	0.0%	3.8%	16.7%	1.9%	-9.6%	-5.3%	-1.4%	3.6%	4.4%
Total Infrastructure Composite	**-0.7%**	**5.0%**	**19.9%**	**---**	**---**	**---**	**---**	**---**	**---**
Benchmark									
CPI + 4%	0.3%	2.9%	7.3%	6.6%	5.4%	6.1%	6.2%	6.6%	6.4%

[1] As of 6/30/2010, the Policy Benchmark consists of 39% BarCap Aggregate, 36% Wilshire 5000, 18% MSCI ACWI ex US, and 7% NFI ODCE. Prior to 6/30/2010, the Policy Benchmark consisted of 35% BarCap Aggregate, 7% BarCap High Yield, 14% Wilshire 4500, 20% S&P 500, 16% MSCI EAFE, 4% MSCI World ex US, 1% 91 Day T-Bills, and 3% S&P Global REIT.

[2] As of 9/30/2010, the Custom Real Estate Benchmark consists of 100% NFI ODCE. As of 3/31/08, the Custom Benchmark consisted of 100% S&P Developed Property Index. Prior to 3/31/08, the Custom Real Estate Benchmark consisted of 100% MSCI US REIT Index.

Signifies Outperformance of Benchmark

Calendar Year Total Fund Performance (Gross of Fees)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Fund Composite	**12.2%**	**18.6%**	**-22.3%**	**6.3%**	**14.1%**	**8.7%**	**14.2%**	**25.1%**	**-5.3%**	**-1.8%**
Rank vs. Total Public Funds	**49**	**54**	**38**	**77**	**24**	**17**	**4**	**12**	**20**	**34**
Rank vs. Funds > $1 Billion	**69**	**48**	**23**	**85**	**42**	**34**	**15**	**20**	**19**	**36**
Benchmark										
Policy Benchmark[1]	12.5%	20.5%	-24.9%	6.8%	14.1%	6.8%	12.2%	23.8%	-6.8%	-4.6%
Actuarial Rate of Return	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Total Fixed Income Composite	**7.0%**	**15.4%**	**-1.4%**	**6.3%**	**6.3%**	**3.1%**	**7.1%**	**12.1%**	**9.0%**	**8.9%**
Rank vs. Total Public Fixed Income	**56**	**17**	**74**	**59**	**16**	**25**	**17**	**7**	**54**	**27**
Benchmark										
BarCap Aggregate	6.5%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%	4.1%	10.3%	8.4%
Total Domestic Equity Composite	**19.7%**	**32.5%**	**-36.7%**	**5.9%**	**14.5%**	**8.3%**	**15.6%**	**31.1%**	**-21.3%**	**-6.9%**
Rank vs. Total Public U.S. Equity	**42**	**38**	**48**	**47**	**52**	**40**	**32**	**46**	**51**	**40**
Benchmark										
Wilshire 5000	17.2%	28.3%	-37.2%	5.6%	15.8%	6.4%	12.5%	31.6%	-20.9%	-11.0%
Total International Equity Composite	**12.5%**	**29.1%**	**-43.9%**	**6.3%**	**14.1%**	**8.7%**	**14.2%**	**25.1%**	**-5.3%**	**-1.8%**
Rank vs. Total Public International	**48**	**76**	**52**	**89**	**93**	**89**	**88**	**93**	**17**	**6**
Benchmark										
MSCI ACWI ex US	11.6%	42.1%	-45.2%	17.1%	27.2%	17.1%	21.4%	41.4%	-14.7%	-19.5%
Total Hedged Equity Composite	---	---	---	---	---	---	---	---	---	---
Rank vs. Hedge Fund of Fund Portfolios	---	---	---	---	---	---	---	---	---	---
Benchmark										
HFRX Hedged Equity	8.9%	13.1%	-25.5%	3.2%	9.2%	4.2%	2.2%	14.5%	2.1%	9.0%
MSCI ACWI	13.2%	35.4%	-41.9%	12.2%	21.5%	11.4%	15.8%	34.6%	-19.0%	-15.9%
Total Real Estate Composite	**15.3%**	**36.1%**	**-38.0%**	**-15.4%**	**37.5%**	**13.5%**	**34.0%**	**38.1%**	**4.4%**	**6.6%**
Rank vs. Total REIT Portfolios	**81**	**17**	**59**	**70**	**23**	**75**	**48**	**28**	**52**	**72**
Benchmark										
Custom Benchmark[2]	21.1%	33.7%	-45.0%	-11.1%	38.8%	10.4%	33.8%	39.0%	7.9%	13.0%
Total Infrastructure Composite	---	---	---	---	---	---	---	---	---	---
Benchmark										
CPI + 4%	5.4%	6.8%	4.0%	8.1%	6.5%	7.3%	7.3%	6.0%	6.5%	5.6%

[1] As of 6/30/2010, the Policy Benchmark consists of 39% BarCap Aggregate, 36% Wilshire 5000, 18% MSCI ACWI ex US, and 7% NFI ODCE. Prior to 6/30/2010, the Policy Benchmark consisted of 35% BarCap Aggregate, 7% BarCap High Yield, 14% Wilshire 4500, 20% S&P 500, 16% MSCI EAFE, 4% MSCI World ex US, 1% 91 Day T-Bills, and 3% S&P Global REIT.

[2] As of 9/30/2010, the Custom Real Estate Benchmark consists of 100% NFI ODCE. Prior to 9/30/2010, the Custom Real Estate Benchmark consisted of 100% S&P Global REIT.

Signifies Outperformance of Benchmark

Annualized Investment Manager Performance (Gross of Fees)

May 31, 2011

	Mth.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Fixed Income - Core									
J.P. Morgan	**1.2%**	**3.1%**	**6.1%**	**7.6%**	**7.2%**	**7.0%**	**7.0%**	---	---
Mellon Capital	**1.3%**	**3.0%**	**5.8%**	**7.0%**	**6.5%**	**6.7%**	**6.7%**	**5.7%**	**5.9%**
Benchmarks									
BarCap Aggregate	1.3%	3.0%	5.8%	7.1%	6.5%	6.6%	6.6%	5.6%	5.8%
Large-Cap Core Equity									
Mellon Capital	**-1.1%**	**7.8%**	**25.8%**	**23.4%**	**0.9%**	**-1.0%**	**3.4%**	**4.8%**	**2.7%**
Benchmarks									
S&P 500	-1.1%	7.8%	26.0%	23.5%	0.9%	-1.1%	3.3%	4.8%	2.6%
Large-Cap Value Equity									
Boston Partners	**-1.6%**	**9.0%**	**24.8%**	**23.1%**	**3.5%**	**0.3%**	**5.0%**	**7.9%**	**6.0%**
Benchmarks									
Russell 1000 Value	-1.1%	8.1%	24.2%	23.6%	-0.4%	-3.5%	1.7%	5.1%	4.0%
Mid-Cap Growth Equity									
Artisan Partners	**-0.6%**	**10.9%**	**43.7%**	**35.3%**	**9.9%**	**7.8%**	**11.1%**	**11.3%**	**8.1%**
Reinhart Partners	**-1.0%**	**9.4%**	**31.0%**	**26.3%**	**3.9%**	**1.1%**	**5.8%**	---	---
Benchmarks									
Russell MidCap Growth	-0.4%	11.4%	36.3%	33.2%	4.5%	3.1%	6.5%	8.4%	5.7%
Small-Cap Value Equity									
AQR	**-3.1%**	**5.1%**	**22.1%**	**33.8%**	**5.5%**	**-0.6%**	---	---	---
Fiduciary Management	**-2.7%**	**6.8%**	**26.4%**	---	---	---	---	---	---
Benchmarks									
Russell 2000 Value	-1.8%	6.4%	22.9%	29.6%	4.4%	-0.9%	3.0%	6.7%	8.2%
International Large-Cap Equity									
[1] **Barings**	**-2.8%**	**5.5%**	**28.2%**	**16.5%**	**-5.0%**	---	---	---	---
[1] **GMO Large Cap Value**	**-2.6%**	**8.2%**	**32.7%**	**15.9%**	**-4.6%**	**-4.4%**	**0.9%**	**7.0%**	**8.2%**
Benchmarks									
MSCI EAFE	-2.8%	6.7%	31.3%	18.4%	-3.7%	-3.3%	2.2%	7.5%	5.8%
International Small-Cap Equity									
[1] **GMO Intl Small Companies**	**-1.3%**	**8.4%**	**43.9%**	---	---	---	---	---	---
Benchmarks									
Citigroup ex. US <$2 Billion	-2.7%	2.6%	33.6%	27.3%	3.3%	1.1%	6.4%	12.7%	12.7%
Emerging Markets Equity									
[1] **Barings**	**-2.7%**	**1.0%**	**26.1%**	---	---	---	---	---	---
Benchmarks									
MSCI EM	-2.6%	2.6%	29.2%	25.9%	1.5%	6.2%	12.0%	18.4%	16.5%

Annualized Investment Manager Performance (Gross of Fees)

May 31, 2011

	Mth.	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year
Hedged Equity									
[1] **ABS**	---	**3.4%**	**11.8%**	---	---	---	---	---	---
[1] **K2**	**-0.6%**	**2.1%**	**8.8%**	---	---	---	---	---	---
Benchmarks									
HFRX Hedged Equity	-2.6%	-6.1%	4.4%	3.9%	-4.8%	-4.6%	-1.2%	0.3%	2.2%
MSCI ACWI	-2.1%	6.6%	28.8%	21.8%	-0.9%	-0.9%	4.0%	7.4%	5.1%
Real Estate									
[2] **ING Clarion**	**0.7%**	**9.2%**	**32.1%**	**29.0%**	**0.4%**	**-3.3%**	**2.6%**	**9.1%**	**11.3%**
Morgan Stanley	---	**4.0%**	---	---	---	---	---	---	---
American Realty	---	**4.5%**	---	---	---	---	---	---	---
Benchmarks									
[2] Custom Benchmark	0.6%	12.6%	37.0%	38.8%	0.6%	-4.5%	1.6%	7.6%	10.2%
NCREIF - ODCE	0.0%	3.8%	16.7%	1.9%	-9.6%	-5.3%	-1.4%	3.6%	4.4%
Infrastructure									
[1] **IFM**	**-1.3%**	**6.3%**	**22.9%**	---	---	---	---	---	---
[1] **JP Morgan**	---	**3.4%**	---	---	---	---	---	---	---
Benchmarks									
CPI + 4%	0.3%	2.9%	7.3%	6.6%	5.4%	6.1%	6.2%	6.6%	6.4%

Signifies Outperformance of Benchmark

[1] Performance reported is net of fees.

[2] As of 3/31/08 the benchmark is the S&P Developed Property Index. Prior to 3/31/08, the benchmark was the MSCI US REIT Index.

Calendar Year Investment Manager Performance (Gross of Fees)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Fixed Income - Core										
J.P. Morgan	**6.3%**	**8.7%**	**4.2%**	**7.0%**	**4.6%**	**2.8%**	**4.9%**	**4.6%**	**10.9%**	**9.1%**
Rank by Style	**70**	**55**	**42**	**43**	**46**	**---**	**---**	**---**	**---**	**---**
Mellon Capital	**6.6%**	**5.6%**	**5.6%**	**7.1%**	**4.3%**	**2.5%**	**4.4%**	**4.1%**	**10.2%**	**8.7%**
Rank by Style	**63**	**83**	**27**	**38**	**63**	**64**	**54**	**68**	**37**	**42**
Benchmarks										
BarCap Aggregate	6.5%	5.9%	5.2%	7.0%	4.3%	2.4%	4.3%	4.1%	10.3%	8.4%
Large-Cap Core Equity										
Mellon Capital	**14.9%**	**26.6%**	**-37.0%**	**5.6%**	**15.9%**	**5.0%**	**10.9%**	**28.7%**	**-22.0%**	**-11.9%**
Rank by Style	**69**	**64**	**57**	**36**	**40**	**65**	**58**	**59**	**68**	**61**
Benchmarks										
S&P 500	15.1%	26.5%	-37.0%	5.5%	15.8%	4.9%	10.9%	28.7%	-22.1%	-11.9%
Large-Cap Value Equity										
Boston Partners	**13.7%**	**27.0%**	**-33.1%**	**5.4%**	**19.8%**	**12.0%**	**17.2%**	**26.4%**	**-19.0%**	**4.3%**
Rank by Style	**53**	**36**	**19**	**30**	**46**	**18**	**33**	**83**	**68**	**19**
Benchmarks										
Russell 1000 Value	15.5%	19.7%	-36.8%	-0.2%	22.2%	7.1%	16.5%	30.0%	-15.5%	-5.6%
Mid-Cap Growth Equity										
Artisan Partners	**33.3%**	**51.9%**	**-42.9%**	**22.0%**	**10.4%**	**10.3%**	**16.2%**	**33.4%**	**-24.8%**	**-1.5%**
Rank by Style	**8**	**13**	**64**	**20**	**73**	**68**	**52**	**78**	**66**	**20**
Reinhart Partners	**21.8%**	**36.0%**	**-38.7%**	**6.6%**	**22.3%**	**9.4%**	**12.1%**	**---**	**---**	**---**
Rank by Style	**84**	**77**	**31**	**87**	**8**	**---**	**---**	**---**	**---**	**---**
Benchmarks										
Russell MidCap Growth	26.4%	46.3%	-44.3%	11.4%	10.7%	12.1%	15.5%	42.7%	-27.4%	-20.2%
Small-Cap Value Equity										
AQR	**26.8%**	**31.3%**	**-33.6%**	**-9.6%**	**16.8%**	**8.1%**	**25.9%**	**56.8%**	**-7.8%**	**---**
Rank by Style	**60**	**40**	**73**	**75**	**---**	**---**	**---**	**---**	**---**	**---**
Fiduciary Management	**25.1%**	**25.8%**	**-27.0%**	**2.1%**	**22.0%**	**6.4%**	**21.0%**	**35.1%**	**-10.8%**	**5.7%**
Rank by Style	**66**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**
Benchmarks										
Russell 2000 Value	24.5%	20.6%	-28.9%	-9.8%	23.5%	4.7%	22.2%	46.0%	-11.4%	14.0%
International Large-Cap Equity										
[1] **Barings**	**8.8%**	**33.2%**	**-44.3%**	**24.3%**	**32.4%**	**---**	**---**	**---**	**---**	**---**
Rank by Style	**67**	**56**	**61**	**---**	**---**	**---**	**---**	**---**	**---**	**---**
[1] **GMO Large Cap Value**	**7.6%**	**18.6%**	**-38.7%**	**10.0%**	**25.4%**	**14.3%**	**25.3%**	**43.5%**	**-0.6%**	**-12.1%**
Rank by Style	**17**	**98**	**10**	**34**	**80**	**39**	**14**	**7**	**1**	**1**
Benchmarks										
MSCI EAFE	8.2%	32.5%	-43.1%	11.6%	26.9%	14.0%	20.7%	39.2%	-15.7%	-21.2%
International Small-Cap Equity										
[1] **GMO Intl Small Companies**	**21.2%**	**33.4%**	**-42.4%**	**7.6%**	**27.4%**	**24.7%**	**27.0%**	**67.4%**	**-1.3%**	**-6.7%**
Rank by Style	**71**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**
Benchmarks										
Citigroup ex. US <$2 Billion	24.4%	62.8%	-49.2%	14.8%	23.1%	25.2%	30.0%	59.2%	-5.5%	-9.8%
Emerging Markets Equity										
[1] **Barings**	**18.3%**	**81.9%**	**-49.1%**	**39.9%**	**35.1%**	**38.2%**	**19.6%**	**42.4%**	**-12.1%**	**-1.0%**
Rank by Style	**54**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**	**---**
Benchmarks										
MSCI EM	19.2%	79.0%	-53.2%	39.8%	32.6%	34.5%	26.0%	56.3%	-6.0%	-2.4%

Calendar Year Investment Manager Performance (Gross of Fees)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Long/Short Equity										
[1] **ABS**	---	---	---	---	---	---	---	---	---	---
Rank by Style	---	---	---	---	---	---	---	---	---	---
[1] **K2**	---	---	---	---	---	---	---	---	---	---
Rank by Style	---	---	---	---	---	---	---	---	---	---
Benchmarks										
HFRX Hedged Equity	8.9%	13.1%	-25.5%	3.2%	9.2%	4.2%	2.2%	14.5%	2.1%	9.0%
MSCI ACWI	13.2%	35.4%	-41.9%	12.2%	21.5%	11.4%	15.8%	34.6%	-19.0%	-15.9%
Real Estate										
[2] **ING Clarion**	**15.9%**	**36.1%**	**-38.1%**	**-15.4%**	**37.6%**	**13.5%**	**34.5%**	**37.7%**	**4.5%**	**6.9%**
Rank by Style	**73**	**17**	**60**	**70**	**20**	**73**	**45**	**32**	**52**	**72**
Morgan Stanley	**16.2%**	**-32.6%**	**-3.7%**	**16.5%**	**18.5%**	**20.7%**	**18.5%**	**11.0%**	**5.3%**	**3.5%**
Rank by Style	---	---	---	---	---	---	---	---	---	---
American Realty	**11.2%**	**-30.0%**	**-5.3%**	**17.3%**	**11.0%**	**19.3%**	**12.1%**	---	---	---
Rank by Style	---	---	---	---	---	---	---	---	---	---
Benchmarks										
[2] Custom Benchmark	28.0%	28.0%	-37.7%	-15.7%	35.1%	12.2%	31.6%	37.1%	3.8%	13.9%
NCREIF - ODCE	16.4%	-29.8%	-10.0%	16.0%	16.3%	21.4%	13.1%	9.3%	5.5%	5.6%
Infrastructure										
[1] **IFM**	---	---	---	---	---	---	---	---	---	---
Rank by Style	---	---	---	---	---	---	---	---	---	---
[1] **JP Morgan**	---	---	---	---	---	---	---	---	---	---
Rank by Style	---	---	---	---	---	---	---	---	---	---
Benchmarks										
CPI + 4%	5.4%	6.8%	4.0%	8.1%	6.5%	7.3%	7.3%	6.0%	6.5%	5.6%

Signifies Outperformance of Benchmark

Signifies performance of the investment managers product composite. Not ERS actual performance.

[1] Performance reported is net of fees.

[2] As of 3/31/08 the benchmark is the S&P Developed REIT Index. Prior to 3/31/08, the benchmark was the MSCI US REIT Index.

Estimated Annual Investment Management Fees

based on May 31, 2011 reported Market Values

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee [1]	Industry Average [2]
Core Fixed Income	J.P. Morgan	0.20% on the first $100 million 0.15% on the Balance	0.17% $510,515	0.24%
Core Fixed Income Large-Cap Core Equity	Mellon Capital - Non Lending	0.04% on the first $200 million 0.02% on the Balance	0.03% $113,714	0.08%
Large-Cap Value Equity	Boston Partners	0.40% on the first $15 million 0.30% on the next $25 million 0.20% on the next $25 million 0.15% on the next $35 million 0.10% on the Balance	0.25% $215,597	0.51%
Mid-Cap Growth Equity	Artisan Partners	0.80% on the first $50 million 0.60% on the next $50 million 0.50% on the Balance	0.80% $385,406	0.78%
Mid-Cap Growth Equity	Reinhart Partners	0.60% on the first $25 million 0.50% on the next $25 million 0.40% on the Balance	0.56% $239,719	0.78%
Small-Cap Value Equity	AQR	1.00% on the first $25 million 0.85% on the next $50 million 0.75% on the Balance	0.93% $418,354	0.95%
Small-Cap Value Equity	Fiduciary Management	0.70% on the first $10 million 0.65% on the next $40 million 0.60% on the next $25 million 0.50% on the Balance	0.66% $339,032	0.83%
International Core	Barings	0.75% on the Balance	0.75% $928,792	0.68%
International Value	GMO Large Cap Value	0.67% on the Balance	0.67% $713,479	1.04%
International Small Core	GMO Intl Small Companies	0.75% on the Balance	0.75% $572,529	1.04%
Emerging Markets	Barings	0.75% on the Balance	0.75% $496,322	0.92%
Hedged Equity	ABS	0.85% on the Balance ***redemptions quarterly with 45 days notice**	0.85% $850,433	1.37%
Hedged Equity	K2	0.90% on the Balance ***redemptions quarterly with 91 days notice**	0.90% $858,115	1.37%
Real Estate Core	Morgan Stanley	0.90% on the Balance	0.90% $720,485	1.03%
Real Estate Core	American Realty	0.95% on the Balance	0.95% $125,792	1.03%
Real Estate REIT	ING Clarion	0.65% on the first $50 million 0.60% on the next $50 million 0.55% on the next $50 million 0.50% on the next $50 million 0.45% on the next $50 million 0.40% on the Balance	0.65% $126,383	0.70%
Infrastructure	IFM	1.25% on the first $250 million	1.25%	1.80%

		1.15% on the next $250 million 1.00% on the Balance **(two year hard lock)**[3] **Performance Fee:** **20% of return above 8% on a rolling three year basis (begins 12/31/11)**	$925,072	
Infrastructure	JP Morgan	2.00% on the Balance **(six year soft lock, no performance fee)**[3]	2.00% $1,231,477	1.80%
Private Equity	Adams Street	0.90% on the Balance **until 2016** ***based on $30mm commitment**	0.90% $221,829	1.11%
Cash Overlay	BNY Beta Management	0.025% on the notional value	0.025% $11,053	N/A
Total Investment Management Fees			**0.53%** **$10,004,097**	**0.69%**
Custodian	BNY Mellon (Custodian) (Cash Operating Account)	$50,000 Flat Annual Fee 0.15% on STIF Funds	$85,552	
Fee Offsets:				
Commission Recapture	CAPIS, LJR, and Abel Noser		-$1,250	
Securities Lending	BNY Mellon		-$90,286	
Total Fund			**0.53%** **$9,998,114**	

[1] Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

[2] Source: 2010 Marquette Associates Investment Management Fee Study.

[3] Hard Lock-Up - investors can withdraw 2.5% per quarter, free of charge during lock-up period. Soft Lock-Up - investors can withdraw semi-annually with a 6% redemtpion fee charged during lock-up period (4% to the Fund and 2% to the manager).

Glossary

Alpha measures nonsystematic return, or the return of the manager that cannot be attributed to the market. It can be thought of as how the manager performed if the market has no gain or loss. Marquette calculates alpha as the annualized y-intercept of the best fit line based on the ordinary least squares regression, using the market's quarterly return less the risk-free rate as the independent variable and the manager's quarterly return less the risk-free rate as the dependent variable. Marquette uses the 90-day T-Bill returns as the risk-free rate.

Beta measures the volatility of the manager. It is a measure of systematic risk, or the manager return attributable to market movements. A beta equal to 1.0 indicates a volatility level equivalent to the market. Higher betas are associated with higher volatility levels, while lower betas are associated with lower volatility levels. Marquette calculates beta as the covariance (correlation of two assets multiplied by their standard deviation) divided by the variance (standard deviation squared) of the market.

Credit Ratings are a method of evaluating the possibility of default by a bond issuer. Marquette uses ratings issued by Moody's Investors Service with the following ratings:

Aaa	Highest Quality
Aa	High Grade, High Quality
A	Upper Medium Grade
Baa	Medium Grade
Ba	Non-Investment Grade
B	Speculative
Caa	Poor to Default
Ca	Highest Speculation
C	May Be in Default

Moody's uses the numerical modifiers 1 (highest), 2, and 3 in the range from Aa1 through Ca3.

Equity yield measures the annual return of the portfolio attributable to dividends. It is determined by dividing the total amount of annual dividends per total shares by the average market price of the total stocks in the portfolio.

Market capitalization is the value of a corporation as determined by the market price of its issued and outstanding common stock. It is calculated by multiplying the number of outstanding shares by the current market price of a share.

Modified Duration is the ratio of Macaulay duration to (1 + y), where y = the bond yield. Modified duration is inversely related to the approximate percentage change in price for a given change in yield.

Net of Fees calculations are an estimate of the performance of the total fund and individual managers after taking into account management fees. The estimate is calculated by subtracting the current estimated annual expense ratio from the historical gross of fee returns.

Price-to-Book Ratio is a measure of relative value measuring the weighted average of the individual portfolio's Price/Book ratios. The ratio is calculated by dividing the price of a stock by the book value of the company. Low Price/Book ratios are associated with value stocks and vice versa.

Glossary

Price-to-Earnings Ratio is a measure of relative value measuring the weighted average of the individual portfolio's Price/Earnings ratios. The ratio is calculated by dividing the price of a stock by the last twelve months' earnings of the company. Low Price/Earnings ratios are associated with value stocks and vice versa.

R-Squared measures how closely the manager's returns track the benchmark. The closer the R-squared statistic is to 1.0, the more closely related the manager's returns are to the benchmark. A higher R-squared also increases the reliability of alpha and beta.

Sharpe Ratio measures the excess return per unit of risk. The higher the ratio, the more efficient the manager. It is the average return of the manager minus the risk-free rate, divided by the standard deviation of the differences of the two return streams.

Trading Effect assesses the total performance caused by cash flows into and out of the portfolio, in addition to all purchases and sales of securities during the quarter. This effect is calculated by subtracting the buy and hold equity return of the portfolio from the actual equity return of the portfolio for the quarter.

Yield to Worst is computed by using the lower of either the yield to maturity or the yield to call on every possible call date.

Due to current market conditions, there is general uncertainty regarding credit pricing which has resulted in significant differences between pricing sources. Marquette Associates, Inc. utilizes pricing sources it believes to be reliable; however, we can make no assurances as to their accuracy.

The sources of information used in this report are believed to be reliable. Marquette has not independently verified all of the information contained herein.

This report has been prepared and presented in compliance with the IMCA Performance Reporting Standards. It meets the mandatory requirements of those standards. IMCA has not been involved with the preparation or review of the report.